
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
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INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
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August 1, 2008

RE: Objecting Petition – DeKalb County Eastern Community Schools

Dear Concerned Taxpayer:

There are two issues that have invalidated the objecting petition regarding the DeKalb County Eastern Community Schools. First, one of the petitioners sent in a signed letter requesting to be removed from the petition. Second, one of the petitioners failed to include their address on the petition as is required under statute. As a result, the petition is not valid, due to an insufficient number of certified signatures. Consequently, no appeal hearing is required.

However, since the Auditor did certify the petition and you were under the assumption that the petition was valid, I wanted to provide you with information that addresses your concerns as stated on the petition.

I have attached two exhibits, A and B, to this letter. Exhibit A shows the advertised tax rates for 2008, and the actual tax rates for 2007 and 2008. Exhibit B shows the property tax levies for DeKalb County Eastern by fund for 2007 and 2008.

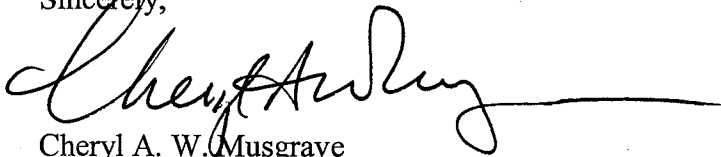
In Exhibit A, the advertised rates are compared to the actual rates. The advertised rates are the tax rates required to fund the adopted budget of the school given the assessed values that were available at the time of the budget adoption. They are in almost all cases, much higher than the actual rates adopted because the adopted budgets often don't take into account levy growth limits and tax rate limits that are required in the law. Once the budgets come to the Department of Local Government Finance for review, the actual assessed value information is available. In addition, those growth limits and tax rate caps are taken into consideration, which is why you see the actual tax rates much lower than the advertised rates. For each of the advertised tax rates you listed in your petition, the actual rate was at least 40% lower.

In addition, all but one of the 2008 actual tax rates are lower than the 2007 actual tax rates. The school corporation made a real effort to keep tax rates low. The overall rate of 1.8801 for 2008 was unchanged from 2007. The only rate that increased was the Debt Service Tax Rate, but that was not due to any new borrowing. Schools are allowed to make up to four debt payments in a year. In 2007, the school kept the Debt rate low in order to keep the overall tax rate low, but this caused them to use most of the cash balance in the Debt fund. For 2008, to have enough cash on hand to make the four debt payments required, the school needed to increase the Debt tax rate. Overall, the actual tax rate for 2008 did not change from 2007.

In Exhibit B, you see the actual property tax levies for each of the funds for the school. Again you can see very modest growth in each fund except for the Debt fund. As I explained above, the Debt levy was not increased due to new borrowing; it was increased in order to have the cash necessary to make the current debt payments. When you take the debt levy increase out of the equation, the overall levy growth for the school was only 1.71%. This shows significant fiscal restraint on behalf of the school district.

I hope this addresses your concerns and answers any questions you had. If you still wish to have a meeting, our Budget Director, John Mallers, would be glad to meet with you to discuss these issues further. Please do not hesitate to contact him if you have any questions. He can be reached at (317) 234-3937 or by email at jmallers@dlgf.in.gov. You can also contact the budget field representative for your region. His name is George Helton and he can be reached at (317) 650-5254 or ghelton@dlgf.in.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Cheryl A. W. Musgrave", followed by a long horizontal line extending to the right.

Cheryl A. W. Musgrave
Commissioner

DeKalb County Eastern Community Schools								
Comparison of Advertised and Actual Tax Rates								
				Advertised Rate	Actual Rate 2007	Actual Rate 2008	Actual 2008 as a % of Advertised	Actual 2008 as a % of Actual 2007

DeKalb County Eastern Community Schools					
Levy by Fund for 2007 and 2008					
Unit Name	Fund Name	2007	2008	\$ Change	% Change
DEKALB COUNTY EASTERN COMMUNITY SCHOOL CORP	PRE-SCHOOL SPECIAL EDUCATION	\$ 8,600	\$ 7,940	\$ (660)	-7.67%
DEKALB COUNTY EASTERN COMMUNITY SCHOOL CORP	GENERAL	\$ 3,106,554	\$ 3,286,781	\$ 180,227	5.80%
DEKALB COUNTY EASTERN COMMUNITY SCHOOL CORP	DEBT SERVICE	\$ 1,305,740	\$ 2,034,753	\$ 729,013	55.83%
DEKALB COUNTY EASTERN COMMUNITY SCHOOL CORP	CAPITAL PROJECTS (School)	\$ 1,468,396	\$ 1,399,964	\$ (68,432)	-4.66%
DEKALB COUNTY EASTERN COMMUNITY SCHOOL CORP	TRANSPORTATION	\$ 1,013,706	\$ 1,056,450	\$ 42,744	4.22%
DEKALB COUNTY EASTERN COMMUNITY SCHOOL CORP	BUS REPLACEMENT	\$ 127,134	\$ 71,043	\$ (56,091)	-44.12%
TOTAL		\$ 7,030,130	\$ 7,856,931	\$ 826,801	11.76%